

NEWS RELEASE

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ST. MARY'S, KANSAS, MAN SENTENCED FOR WILLFULLY FAILING TO PAY FEDERAL EMPLOYMENT TAXES AND WILLFULLY FAILING TO FILE FEDERAL INDIVIDUAL INCOME TAX RETURNS

TOPEKA, Kan. – United States Attorney Eric Melgren announced that **David G. Pflum**, 59, St. Mary's, Kansas, was sentenced today by U.S. District Judge Sam A. Crow to thirty months in federal prison, without parole, to be followed by two years of supervised release and ordered to pay a \$6,000.00 fine.

Melgren said that Pflum was convicted on August 30, 2004, in U.S. District Court in Topeka, Kansas, following a four day jury trial. Pflum was convicted of eight counts of willfully failing to collect and pay federal employment taxes and three counts of willfully failing to file federal individual income tax returns.

Melgren stated that according to evidence presented at trial, Pflum, owner of Coil Springs Specialties, a business in St. Mary's, Kansas, paid approximately \$363,435 in wages from January 1, 1998, through December 31, 1999, and willfully failed to collect and pay to the Internal Revenue Service approximately \$138,853 in federal employment taxes. According to evidence presented at trial, Pflum received net income of \$264,000 for tax year 1997, net income of \$488,000 for tax year 1998, and net income of \$393,000 for tax year 1999 and willfully failed to file federal individual income tax returns for 1997, 1998, and 1999 with the Internal Revenue Service.

Melgren commended the excellent work of the Internal Revenue Service, Criminal Investigation, in this investigation.

"The willful failure to pay over any federal tax is a serious federal tax violation," said Michael Yasofsky, Special Agent in Charge of IRS Criminal Investigation. "These acts increase the tax burden on the majority of our citizens and employers that fully comply in meeting their tax obligations."